Message Text

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DEPARTMENT PLEASE PASS COMMERCE AND EXIMBANK

E.O. 11652: N/A

TAGS: BPRO, ENGR, GR, US

SUBJECT: BUSINESS PROPOSALS: COORDINATION MINISTER SAYS GOG

DECISION IS STILL PENDING ON LAVRION POWER PROJECT

REF: ATHENS 6241

1. I CALLED ON COORDINATION MINISTER MITSOTAKIS TODAY, JULY 27, ACCOMPANIED BY ECON OFFICER, TO DETERMINE IF THE LAVRION POWER PROJECT MIGHT STILL BE OPEN FOR A U.S. BID (SEE REFTEL). I NOTED THAT WHILE PRESS REPORTS HAD INDICATED GOG HAD DECIDED TO PURCHASE A 300-MEGAWATT OIL-FIRED UNIT FROM THE USSR, A GROUP OF US COMPANIES WAS PREPARED TO OFFER A BETTER QUALITY PLANT, AT A COMPETITIVE PRICE, WITHIN THE TIME FRAME REQUIRED BY THE GREEK GOVERNMENT.

2. MITSOTAKIS SAID THAT CONTRARY TO PRESS REPORTS THE GOG HAD NOT RPT NOT AWARDED THE PROJECT TO SOVIETS. INDEED, A DECISION IS STILL PENDING ON WHETHER TO BUILD ANOTHER OIL-FUELED POWER PLANT AT LAVRION. MINISTER OF INDUSTRY FAVORS THE LAVRION PROJECT BUT PPC PREFERS TO CONTINUE WITH ITS LIGNITE DEVELOPLIMITED OFFICIAL USE

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MENT PLANS AT MEGALOPOLIS. MITSOTAKIS SAID GREECE WOULD MOVE AHEAD ON THE LAVRION PROJECT ONLY IF GOG DECIDES TO POSTPONE THE MEGALOPOLIS PROJECT FOR SOME TIME. THIS DECISION WILL BE MADE BY AUGUST 10 AT THE LATEST. IF GOG DECIDES TO GO AHEAD WITH LAVRION PROJECT, MITSOTAKIS SAID US AND OTHER FIRMS WOULD BE WELCOME TO BID.

- 3. MITSOTAKIS SAID HE PERSONALLY WAS CONVINCED THAT AMERICAN AND OTHER WESTERN FIRMS CAN OFFER A BETTER POWER PLANT THAN THE USSR. AT THE SAME TIME, GREECE WISHES TO FOLLOW AN OPEN ECONOMIC POLICY TO PERMIT THE USSR AND OTHER BLOC COUNTRIES AT LEAST TO DISCUSS SUCH PROJECTS. MITSOTAKIS STRESSED THAT DISCUSSIONS WITH THE USSR ON THE LAVRION PROJECT HAD BEEN SIMPLY SOUNDINGS AND THAT NO COMMITMENTS WERE MADE.
- 4. COMMENT: MITSOTAKIS' COMMENTS ON THE LAVRION PROJECT CONTRADICT BOTH THE PRESS STATEMENTS ISSUED EARLIER THIS MONTH IN HIS OWN NAME AND THE INFORMATION WE GOT FROM PPC DIRECTOR ANGELOPOULOS REPORTED IN REFTEL. MITSOTAKIS' EARLIER PRESS STATEMENTS APPARENTLY TRIGGERED A REACTION IN THE PPC AND OTHER MINISTRIES RESULTING IN THE CURRENT REVIEW OF THE SITUATION. WHATEVER THE CAUSE OF THE CONFUSION, WE ARE PLEASED THAT AMERICAN FIRMS WILL HAVE A CHANCE TO BID SHOULD THE GOVERNMENT DECIDE TO GO AHEAD WITH THE LAVRION PROJECT.

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